
SENATE BILL 5458

State of Washington

60th Legislature

2007 Regular Session

By Senators Morton, Benton and Rasmussen

Read first time 01/19/2007. Referred to Committee on Government Operations & Elections.

1 AN ACT Relating to excluding disability benefits related to the
2 performance of military duties from the income calculation for the
3 retired person property tax relief program; amending RCW 84.36.383; and
4 creating a new section.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 84.36.383 and 2006 c 62 s 1 are each amended to read
7 as follows:

8 As used in RCW 84.36.381 through 84.36.389, except where the
9 context clearly indicates a different meaning:

10 (1) The term "residence" means a single family dwelling unit
11 whether such unit be separate or part of a multiunit dwelling,
12 including the land on which such dwelling stands not to exceed one
13 acre, except that a residence includes any additional property up to a
14 total of five acres that comprises the residential parcel if this
15 larger parcel size is required under land use regulations. The term
16 shall also include a share ownership in a cooperative housing
17 association, corporation, or partnership if the person claiming
18 exemption can establish that his or her share represents the specific
19 unit or portion of such structure in which he or she resides. The term

1 shall also include a single family dwelling situated upon lands the fee
2 of which is vested in the United States or any instrumentality thereof
3 including an Indian tribe or in the state of Washington, and
4 notwithstanding the provisions of RCW 84.04.080 and 84.04.090, such a
5 residence shall be deemed real property.

6 (2) The term "real property" shall also include a mobile home which
7 has substantially lost its identity as a mobile unit by virtue of its
8 being fixed in location upon land owned or leased by the owner of the
9 mobile home and placed on a foundation (posts or blocks) with fixed
10 pipe, connections with sewer, water, or other utilities. A mobile home
11 located on land leased by the owner of the mobile home is subject, for
12 tax billing, payment, and collection purposes, only to the personal
13 property provisions of chapter 84.56 RCW and RCW 84.60.040.

14 (3) "Department" means the state department of revenue.

15 (4) "Combined disposable income" means the disposable income of the
16 person claiming the exemption, plus the disposable income of his or her
17 spouse, and the disposable income of each cotenant occupying the
18 residence for the assessment year, less amounts paid by the person
19 claiming the exemption or his or her spouse during the assessment year
20 for:

21 (a) Drugs supplied by prescription of a medical practitioner
22 authorized by the laws of this state or another jurisdiction to issue
23 prescriptions;

24 (b) The treatment or care of either person received in the home or
25 in a nursing home, boarding home, or adult family home; and

26 (c) Health care insurance premiums for medicare under Title XVIII
27 of the social security act.

28 (5) "Disposable income" means adjusted gross income as defined in
29 the federal internal revenue code, as amended prior to January 1, 1989,
30 or such subsequent date as the director may provide by rule consistent
31 with the purpose of this section, plus all of the following items to
32 the extent they are not included in or have been deducted from adjusted
33 gross income:

34 (a) Capital gains, other than gain excluded from income under
35 section 121 of the federal internal revenue code to the extent it is
36 reinvested in a new principal residence;

37 (b) Amounts deducted for loss;

38 (c) Amounts deducted for depreciation;

- 1 (d) Pension and annuity receipts;
2 (e) Military pay and benefits other than attendant-care and
3 medical-aid payments;
4 (f) Veterans benefits, other than attendant-care and medical-aid
5 payments and compensation for service connected disabilities and
6 special monthly compensation payments;
7 (g) Federal social security act and railroad retirement benefits;
8 (h) Dividend receipts; and
9 (i) Interest received on state and municipal bonds.

10 (6) "Cotenant" means a person who resides with the person claiming
11 the exemption and who has an ownership interest in the residence.

12 (7) "Disability" has the same meaning as provided in 42 U.S.C. Sec.
13 423(d)(1)(A) as amended prior to January 1, 2004, or such subsequent
14 date as the director may provide by rule consistent with the purpose of
15 this section.

16 NEW SECTION. **Sec. 2.** This act applies to taxes levied for
17 collection in 2008 and thereafter.

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